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## CONTENTS

- |  |                        |    |
|--|------------------------|----|
| <b>On the Theories of Capital and Distribution</b>                             | <i>Izuma HISHIYAMA</i> | 1  |
| <b>Georg Lukács and the Hungarian Revolution<br/>of 1918-19</b>                | <i>Toshiko HIRAI</i>   | 24 |
| <b>State Monopoly Capitalism and Organisation<br/>of Struggls for Survival</b> | <i>Jun IKEGAMI</i>     | 46 |
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# STATE MONOPOLY CAPITALISM AND ORGANISATION OF STRUGGLES FOR SURVIVAL

By Jun IKEGAMI\*

“It is the interest of all rich nations, that the greatest part of the poor should almost never be idle, and yet continually spend what they get”. B. de Mandeville  
“The Fable of the Bees”

## Foreword

When the housekeeping accounts in the prewar days are compared with those in the postwar days, we can't but be amazed an excessive increase in expenses required for transportation, education, taxes and other public charges. In this connection such differences were explained by the professor K. Kagoyama in the following manner, basing on the report of Ministerial Survey of Household Accounts for the years 1933-34 and the Annual Report of Household Accounts surveyed by the Prime Minister's Office for the year 1968.

“Restless way of living full of uneasiness and unsatisfied desires is being lived without having practically no pocket money by eating foreign styled dishes with bread on a rare occasion and generally 20 grams of beef, pork or chicken with one egg and a pint of milk per head a day in a small house (an apartment house in many occasions) equipped with an refrigerator, television, electric washing machine, table and chair, clothes-cabinet, etc.”

The working people in the prewar days used to enjoy themselves to their hearts' content by stretching their hands and legs on the Japanese-styled floor and humming their favorite songs after taking a few drinks of sake at their own houses where there were no furnitures except a low table and a charcoal fire brazier.”

“It might appear that there were not much of accommodations in such houses, but in truth they didn't have to worry in those days about a commuter-stamped or about entrance examination. As long as their little ones could work when grown up like most people were working, there was no worry to subsist on.”<sup>1)</sup>

In these passages the characteristics of the way of living by the Japanese working people in these days are very vividly described in a sharp contrast to the prewar days'

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1) K. Kagoyama, “The Working People's Living under Economic Growth” in the *Japanese Labors' Association Magazine*, 1970, February edition, p. 21.

ways of living. It is assumable without difficulty that the contemporary characteristics of the way of living under the capitalistic system should be sought in such conditions as unstable ways of living caused by a straitened housing situation and shortage of available money, over-flooding of durable consumption goods as well as processed foodstuffs, traffic confusions and ordeal of entrance examinations, and last but not least, an uneasy feeling of strain as if constantly driven by some unknown cause without knowing when it comes to an end.

When we make a further pursuit of the prevailing characteristics of the way of living by the present days' working people, we are bound to be confronted with a problem of a lifelong control of workers' living by the monopolizer and the capitalistic state. In other words, we find that the working people's activities to make their livelihood — labor, consumption, production by the family member, etc. — are being controlled throughout their life not as labor, consumption or home life of an individual but as one of means of capitalistic production. When an approach toward the subject of the "contemporary capitalism and the state" is to be made, it constitutes a central problem to weigh the role played by the state in the process, through which the contemporary capitalism has come to accomplish its control over the working people throughout their life by organising their mutual competitions for survival through the instrumentality of a control over their incomes and properties. There are few who would not agree to think that there is possibility in these days for an ordinary citizen or a worker to get some kind of occupation, providing that he or she is not too fastidious to pick and choose, yet there are not many, I believe, who could deny that he or she is in turn likely to be forced to live an empty life. Even if it is assumed that one should manage to get along in some way or other to overcome the dry-as-dust content of his 8 hours' duties in working for a certain private firm or public office, it is not at all a rare happening in these days that one is frequently forced to feel that purposeless emptiness or uneasiness as if constantly driven to somewhere while one is staying at home where one's own time ought to be naturally enjoyed to the fullest extent. The reason why the said stream of consciousness springs out is because the way of the personal living of the working people in itself is made sacrifices to every change of "a strong force" as an incidental variable of a greater power and moreover because the manner in which they fall into such sacrifice comes to be manifested in the form of aggravated mutual struggles for existence of "incidental variables" under the same circumstance.

In 1833 R. Jones pointed out that the an increase in the abundance of capital would result in an increase of pain on the part of the working people in the following way.

"Great fluctuations in the amount of employment, and great suffering may become more frequent as capital itself becomes more plentiful."<sup>2)</sup>

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2) Richard Jones, *An Introductory Lecture on Political Economy*, London, 1833, p. 13.

The contemporary capitalism, indeed, is a capitalism in a stage tended to be principally characterised not merely with the abundance of capital itself but also with the sum total of riches and powers put together, i.e. specific development of a national monopoly. If it is assumed that the working people would have to be confronted with greater fluctuations and sufferings as a result of a greater expansion of the riches and the powers, then there should be no room to doubt that the problem of the existing state should be sought in their resistance against such situation. When a consideration of the present status of such fluctuations and sufferings is to be made in connection with the said contemporary characteristics of the way of living at present, what is the role played by the state in causing the said contemporary characteristics of the way of living! When the working people supported by their social solidarity makes a fair and proper claim for their right to live, what is the nature of the problem with which the state will have to face?

It is from these two angles that the present writer intends here to make approach toward the problem of the contemporary capitalism and the state.

### **I Working People's Right to Live and the Capitalistic State**

The processes of re-production of life of the working people incidental to the accumulation of capital are composed of the following two processes.<sup>3)</sup>

(1) Productive consumptions, i.e. a means of production in the form of capital and the productive process in the form of a means of living. This is normally achieved inside of a factory and it is considered that such labor and such products belong to the capitalist.

(2) Individual consumptions, i.e. a productive process achieved by man as a laborer and the breeding of a species. This is normally achieved outside of a factory and it is considered that the forming of a family and householding affairs belong personally to an individual laborer. However, if viewed from a standpoint of capitalism, any laborer as part of one of the most important parts of a means to produce a certain surplus value is an important object of the control for production by a factory system even if such laborer may be staying at his home. During the days when a relatively excessive population is considered to be one essential condition for a rapid accumulation of capital, even the increase of population is daringly placed under control of capital as a problem to develop the source of labor supply: (see for an example the wartime encouragement for more childbirths or a proposition of child allowances, though slight in the amount of money, for the purpose to secure labor power).

A class struggle lasting for more than tens of years was necessitated to fight for

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3) Jun Ikegami, "State Monopoly Capitalism and Labor Power Control" in *Keizai Kenkyu*, Hitotsubashi University Economic Research Institute, Vol. 21, Book 3, July 1970. p. 233.

a normal working day even for a single purpose to establish the "freedom of a citizen" in the process of individual consumption of the laborer by making distinction between the two processes. Yet even after the normal working day was established and the right of collective bargaining and the right of strike were lawfully authorized, the capital has been making every effort repeatedly to exercise control over these two processes and to subordinate the laborer to the need of capital.

What was intended was achieved by applying the disciplinary system of free competition of bourgeoisie (such disciplinary system in the monopolistic state was "free competition" of the monopolizer and medium- and small-scaled enterprises, i.e. control of monopolizer) to the mutual relationships of laborers. This may well be termed as "organising movements of mutual struggles for existence of laborers".

"Both concepts of a labor union and a strike presuppose a recognition that the ruling of bourgeoisie is based on the breaking up of proletariat caused by mutual competitions of laborers, i.e. mutual confrontation of each individual laborer. .... The laborers can't find more effective sore spot than this in making attack against bourgeoisie and against the whole of existing social systems. When mutual competitions of laborers are prevented and all of the laborers come to make up their minds never to be sweated again, the kingdom of possession will come to an end."<sup>4)</sup>

The first step to exterminate this kingdom of possession came to be taken through an organized resistance of the laborers against the unlimited prolongation of a working day to the maximum extent of human existence and through a limitation of a normal working day by the state. The capitalists in turn came to make counter-opposition against such right of laborers to organize themselves, which will be discussed later, by developing various means to organize mutual competitions of laborers irrespective of the normal working day. Now, first of all I shall discuss the effects of such legal restrictions relating to a normal working day upon the subsequent capitalistic state.

According to the various appraisals of the legal restriction relating to a normal working day, some considered it to be "reasonable measure of capital" primarily designed to secure the labor power as one component part of social production: some held that it is a measure in favor of a gigantic capital designed to facilitate its further development by equalising the competitive conditions for any kind of — large-, medium- or small scaled — capital through the restriction relating to a working day: and still some others regarded it to be an unavoidable compromise of capitalists to cope with the class struggle of the laborers.

Each of these appraisals speaks of the truth as far as one phase of the state of things is concerned. It is true that the normal working day was won as a result of concession of the bourgeoisie toward the class struggle: that later on the capitalists

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4) F. Engels, "Conditions of Working Class in England" in *Complete Works*, Vol. 2, Otsuki Shoten. pp. 453-545.

contended that such restriction was favorable for the development of productive power; and that such restriction became to be unfavorable for middle- or small-scaled enterprising, thus resulting in an establishment of a dominant position of large-scaled manufacturing. Yet, under such circumstance it is easy to draw a definite conclusion if each of the said appraisals is re-examined in a series of causal relationships and each of them is accordingly rearranged on the basis of the underlying intrinsic laws. However, even if the said appraisals were re-evaluated in the aforementioned order, yet another problem of more fundamental nature should be duly taken up. That is, if the professor Kataoka's expression is borrowed, "What is meant is something concerned with the problem as a result of the first achievement of the movements " to raise the freedom of a citizen to a higher level of a universal freedom for every man" on a basis of "various human rights of existence as a newly conceived right, i.e. the labor standard rights as such as the right to organise, the right of collective bargaining, etc."<sup>5)</sup>

The core of the bourgeois democratism culminating in the Great French Revolution was none other than a free competition based on the freedom of property right. And the employment of laborers based on a freedom of bourgeois business, their labor control and exclusive possession of the products resulted not only to subordinate the laborers' existence but also to give the right to organise the *mutual competitions of laborers to get an opportunity of being employed* in the hands of capitalists. Thus, this situation gave rise to such particular circumstance, under which the right of existence of those who were free from the property rights couldn't have been obtained without being backed up by forming an organisation to place restriction on their mutual competitions or calling of a strike, as already discussed before. The restriction placed on a working day as *one of the rights to live acquired on a basis of the right to form an organisation* was the very first and greatest victory of the said new movement to claim for a human right, basing not on the background of the property rights of bourgeoisie but on the background of the right to form an organisation of proletariat.

Engels made the following statement in his writing "The Conditions of Working Class in England", placing emphasis on the difference between the democratism held by Chartist who contended the demand for the legal restriction relating to a working day and "the type of conventional and political bourgeoisie democratism": "the free competition has been giving the laborers enough difficulties to make them feel hatred against it. The bourgeoisie who act as a representative of free competition is a public enemy of the laborers. What the laborers could expect to gain from the perfection of free competition was nothing but a great loss."<sup>6)</sup>

There arose "a new type of democratism based on the right to form an organi-

5) Noboru Kataoka, "Labor Standard Rights and Citizen's Right" in *The Present Time and the Thoughts*, October 1970, p. 52.

6) F. Engels, *Ibid.*, p. 52.

sation by, of and for the people who represent the majority of a society, who are actual carriers of production and who are beginning to be united more and more closely together as the socialisation of production makes its headway to take place of the old type of "democratism based on the freedom of property rights or democratism of the property owners." Marx made the following statement about this change from an aspect of the human rights in his "Capital".

"The laborers are obliged to unite themselves together to protect themselves against their harassing snakes and must by all means acquire a national law in their hands of the laboring class — powerful, social and preventive measures to prevent form being thrown into a state of death and slavery at the sacrifices of their comrades under a pretext of *their free will contract* with capital. A Great Charter should be institute, which has a clearly difined provision for a working day prescribed by a law, whereby it is made clear from what time the hours which the laborer sells begin and from what time the free hours of his own begin", instead of a de luxe list of *all human rights which should not be transferable*.<sup>7)</sup>

In this way the legal restriction placed on a working day has established the "acquisition of hours of the laborer's own and the distinction according to the class between the hours belonging to the employer and those belonging to the laborer on a basis of the freedom of class struggle by the laborers in place of the establishment of freedom, equality philanthropy and fundamental human rights based on the freedom of property right. While the upper political structure of the class struggle is making its counter-reaction upon this foundation through the instrumentality of law and regulations, a definite distinction between "the process inside of a factory, belonging to the capitalist, where surplus value is produced through the productive consumption" and "the process outside of a factory, where the laborer himself is being produced through the individual consumption" comes to be clearly conceived: and in this way such intentions are formed as to consider the process of presonal consumption as something of his own belonging, to study sciences by executing the right of the freedom of a citizen, and to try to reform nature and his society by maintaining his health.

The significance of these facts are described in the following manner by Engels. "The laborers in these days know exactly *how many hours of his own* were sold and exactly *how many hours should belong to them*. Furthermore, by having a preliminary knowledge about this matter, they can make previous arrangement of his own hours in radiness for their own purpose." "By making themselves of a master of their own hours, various factory regulations provided them with moral energies which after all lead them to their ultimate grasping of political power."

The fact that the fair and proper right to reproduce the life of the working class of people was recognized in the legal system of the capitalistic state by establishing

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7) K. Marx, *Das Kapital*, Bd.I, SS. 316-504,



a normal working day did have a decisive significance in the sense that the process of individual consumption of laborers was placed under the conscious control of laborers' own: that their cultural level was raised: that a possibility was open to build up a foundation, on which a direction of scientific reformation of capitalism was firmly established.

As far as the freedom of a citizen remains within an extent of the property rights, the capitalist class could, under a pretext of *the freedom of business operation*, shorten the length of the hours of individual living which should be one of the foundations of the freedom of a citizen. Yet, now that the free use of the living hours of one particular class as called the working class came to be socially confirmed as a result of legal restriction placed on a working day, the right to determine the working hours which used to be determined *at the discretion of each individual capitalist* primarily as one portion of the freedom of business operation came to be concentrated in the hands of the state formed as the Executive Council of all capitalists (the state monopoly of the right to determine the working hours). Wherefore the pressure of "the freedom to unite and act together" came to be more and more increased for the purpose to acquire the freedom of a citizen, resulting in the further security of the freedom of a citizen for every individual worker for the purpose to acquire the freedom to form an organisation of on the one hand, and these new situations provided them with a starting point to prevent an individual capitalist from making the extended working hours *a means of competitions* of capitalists through concentrated and public control over the working conditions (this served to the advantage of large-scaled enterprises and to the disadvantage of medium- or small-scaled enterprises as pointed out by Marx), thus leading to make it possible to execute a strong, *standardised and national* countermeasure in favor of the working class.

Under such circumstances on the part of the working class were provided a common ground to make public contention of their own right of existence being supported with their right to form their own organisation and on the part of capitalists were provided a common ground to execute accumulation and centralisation of capital on a greater and greater scale through their centralised control over the working class, thus leading to pave the way to a greater *social collision* between the said two hostile classes. The legal restriction placed on a working day, if viewed from a laborer's angle, was a development of new democratism not necessarily backed up by the property-right but backed up by the right to form their own organisation and if viewed from a capitalist's angle, it provided an impetus to place a partial restriction on "free competition" of the medium- or small-scaled capitalists through the national monopoly of the right to determine a working day, thus enabling them not only to guarantee a rapid development of large capital but at the same time to execute a standardised control over the working class. It may well be concluded that the former is what gave a prospect for socialism as pointed out

by Engels and the latter is an indication of very fragile buds of the lifelong control now practiced in these days over the labor power or the labor control through the state monopoly capitalism.

The democratism backed up by the right to form an organisation is a democratism by and for the majority, i.e. the carriers in realities of social production and therefore it a democratism pregnant with an inevitability to become a dominant trend in the near future, while on the other hand the kind of democratism of conventional free competition backed up by the property rights is destined to be transformed into the type of ruling over the minority of the poor who are alienated from the realities of production as a result of concentration of financial and authoritative powers in the hands of the minority, thus destined to be declined and ruined.

Nevertheless, such centralisation of financial resources and authoritative powers tends to make a strong roll-back to drive the carriers of such new democratism back into a rigorous mutual struggle for existence again through the instrumentality of the perfunctory framework of the free competition just because of such trend, the foundation of the said new democratism tends to be more and more expanded by socializing the production to a greater and greater extent.

The central problem concerned with a study of the relationships between the contemporary capitalism and the state lies in pursuing the study on a natural law which will cast light on the actual facts that the contemporary state is of such nature as to stand constantly in opposition against the said new democratism as a combined product of financial resources and powers: that the said confrontation is not only made through the instrumentality of the framework of free competition based on the conventional property ownership, but that the more frequent use of free competitions is made, the further socialization of production is pushed forward in an ever increasing tendency, thus resulting in the wider and wider expansion of the foundation of the said new democratism. The confronting relationship, I believe, will throw light on the basic conditions of the "characteristics of the contemporary way of living" mentioned at the beginning of this writing.

It has become a popular practice for most of the recent discussions on the subject of the state to demonstrate the "obstinacy" of free competition backed up by the conventional property ownership and to illustrate the "fragility" of the new democratism based on the right to form an organisation by the working class. For the purpose to support the former, efficiency and bureaucratic system are frequently talked about and the part to be played by the state to expedite "rationalisation" is unilaterally emphasized and for the purpose to support the latter, the emphasis is placed on the contention that the laborer is the owner of goods in a form of labor power, thus standing on the same footing common to bourgeoisie as far as

the ownership is concerned.<sup>8)</sup>

However, it appears as if the above-mentioned arguers had not taken due considerations of the actual facts that the freedom of the property rights would no longer secure the laborer's right of existence and even such right would be threatened without the new democratism: that the laborers would tend to become actual carriers of production in all likelihood as results of the more socialized production in spite of the aforementioned fact; and that the bourgeoisie "efficiency" and the "rationalization" could not be facilitated without the socialisation of production.

The new democratism is none other than the contention of the right of existence by and for the minority, the carriers of production and those people who are socially united more and more firmly as already pointed out repeatedly, and it is solely because the free competitions of gigantic-scaled enterprises based on their property right can't but be ruined at the moment when the said contention comes to put an end to the mutual competitions of the laborers that such solidarity will have to be guaranteed.

Now, I shall demonstrate nextly that "all of challenges to the said solidarity" by the contemporary capitalism and the state couldn't be anything other than the proof of the solidarity of the new democratism.

## **II "Keynesian Revolution" and the Policy of Labor Mobility**

What the production of relative surplus value sought as a result of legal limitations placed on the normal working day was the availability of any required quantity and quality of the workers at any time without depending on the laborers' skill by taking advantage of the capitalistic use of skill and by organising mutual competition of job-hunting laborers, thus, exposing them to the risk of their struggle for survival. It is pointed out by Marx that "in this way, as accumulation makes its headway a greater variable capital begins to float a greater quantity of labor without obtaining a greater number of laborers on the one hand, while on the other the variable capital of the same scale begins to float a greater number of laborers at the cost of the labor power of the same quantity, ultimately floating a greater number and lower grade of labor power by driving away the labor of higher grade."<sup>9)</sup>

This "floating of labor power" produced as an incidental variable of accumulated capital tends to make laborers indifferent to their right to form their organisation which should be an indispensable prerequisite for laborers' survival, thus forcing them to devote themselves to their struggle for survival.

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8) For example, Koji Baba, "Grounds and Forms of Bourgeois State" in the *Today's Eyes*, February, 1970. pp. 37-38.

9) K. Marx, *Das Kapital*, Bd. I, S. 670 (Aoki Bunko edition), Book 4, p. 985.

It is pointed out that even in the days of Engels "the labor union remained to be powerless toward the comparatively important causes which had something to do with a change in the labor market. Under such circumstance the starvation drove the laborers to stick to their jobs under whatever conditions they had to go through."<sup>10)</sup>

The transition to the monopolistic stage of capitalism and the introduction of scientific labor management had a tendency to accelerate the floating of labor power, and resulted in aggravation of unbalanced development of monopoly organisation and industry, and the intensification of regional movement of labor power. The progress of accumulation and centralization of capital with rapid strides did nothing but enhancing greater and greater necessity for the monopoly organisation to obtain labor power: and such circumstance in England and France paved the way to accelerate an occurrence of social crisis and the need for the legal approval of the right to unite.

It was the "revolution" in the theory of employment advanced by J. M. Keynes that made a first systematical treatment on the subject of the role of the state, through which the contemporary characteristics of the way of laborers' living were given birth as results of the newly designed plan of a lifelong control over laborers in coping with a new phase of the said confrontation between labor and capital.

One of his starting points of his arguments was an application of the technique of the wartime economic control to the peacetime economy and another one was an application of such specific technique as an indirect control over many colonies, of which independence, though only formally, could not help being recognised, to the international economy.

Keynes gave the following encouraging comments to the American President through the New York Times in 1932: "The classical school of the science of finance used to maintain in the past that the war was the only one lawful pretext to create employment through the governmental disbursement. Honorable President, you are the only person who could shake off the yoke of such restraint to make a harmonized application of the technique, which was allowed in the past to be applied only for the purpose of a war and destruction, for the benefit of peace and prosperity."<sup>11)</sup>

It is true, as pointed out by Lenin, that the wartime economy assumed "a complete control over economical life", either in America or in Germany, in a manner to produce military slavery for the laboring class of people (farming people to some extent) or to produce a paradise for bankers and capitalists, and monopolistic undertaking used to draw government funds for private use always under a mask of "business secrecy", thereby resulting in a financial crisis or inflation of the capitalistic state and the expansion of opportunities of investments."<sup>12)</sup>

10) F. Engels, *Ibid.*, p. 452.

11) J. M. Keynes, "On Open Letters", A. E. A. *Readings in Fiscal Policy*, Vol VIII, 1955, p. 34.

12) Jun Ikegami, *State Monopoly Capitalism*, Yuhikaku, 1965, pp. 73-75.

Factors under the wartime economic controls such as a variety of statistics and orderly bookkeeping, mass taxation incidental to financial crisis, suspension of specie payment, state monopoly of gold reserve, inflation, etc. began to open a clearcut road for a possibility of a control over the incomes and properties of the laboring class of people. An increase in the relative weight of financial administration in the national economy is primarily caused as results of an expansion of the imperialistic opposition in the stage of imperialism, i.e. military expenses: administrative crisis of monopolised enterprising, i.e. subsidies: racial contradictions with colonies, i.e. administrative expenses for colonies: oppositions between different classes of people within a country, i.e. social reformation expenses, etc. Hence, the deficit public debt to make up for the deficit financing and inflation caused by the state monopoly of gold reserves were none other than symptoms of a disease to indicate aggravation of such oppositions and social contradictions. Most of such control, financial administration and monetary measures were taken granted to be a kind of temporary interim measures and used to be accepted as a matter of course that those state of things would naturally be restored to the "principle of sound financing" and "gold standard system" as soon as the war comes to end. Nevertheless Keynes had an intention in his mind to develop a technique of a lifelong control of laborers by applying a technique of labor administration and control brought forth as a result of the wartime economy to the peacetime economy.

As is well known, the mass taxation increases the relative weight of taxes in relation to the national income and this indicates a possibility of the control of income by some financial policies.

The increase in the so-called provisional expenses after the end of the World War I expanded the possibility of the control over the laborers' incomes in the way of the social insurance as shown by the increase of the social insurance expenditures. And it appeared to the Keynes' mind that above all other things, the cutting down of their substantial wages *caused to further the possibility to control not only the laborers's casual incomes but also even the monetary properties in their possession.*

He made the following statement in his "general theory". "According to our daily experiences a case where what is wanted by the laborer on account of a certain contract is a certain amount of monetary wage rather than a certain substantial wage (though admitting that there is a limit to it) should undoubtedly be of normal happening instead of being probable happening. The laborer might usually make objection against cutting down of his monetary wage, but it might not be his customary practice to withdraw his labor at any time when the value of his wage goods might rise."<sup>13)</sup> By going still further from such idea even if the laborer might not agree with the cutting down of his substantial wage, Keynes made his contention

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13) J. M. Keynes, *The General Theory of Employment, Interest and Money*, London, 1936. p. 9 (Transl. Shionoya, *Toyo Keizai Shimpō*. p. 118.)

that the force to determine the substantial wage would not depend upon the contractual relationships between an individual laborer and an individual capitalist.

As already considered in the preceding section, it is seen that the determination of a standard working day was not a result arrived in the way of a contract concluded by each individual laborer but a result pressed down on the whole group of the capitalist class in the way of a concentrated function of the state monopoly on the basis of the laborer's right to form their organisation. But the very problem which Keynes wanted to raise now is not that the level of substantial wage is determined by a contract between each individual laborer and each individual capitalist, but that he demonstrated the possibility that the level of substantial wage could be controlled by a more concentrated force of the state monopoly of behalf of the interest of the whole group of capitalists.

He continued to argue that "there can't be any means, through which the whole group of laborers could change their substantial wages to their desired amount by revising the money wage contract concluded with the enterprisers. We shall try to prove that what determines the general level of the substantial wages is, fundamentally speaking, composed of some forces of other kind."<sup>14)</sup>

The method to monopolize the right to determine the substantial wages in the hand of the state without depending on any contract between the labor and capitalist ought to be, needless to say, nothing else but the state monopoly of gold reserve, the suspension of specie payment and the national control of the central bank. One of essential points of Keynesian theory consists in his idea to give a variety of expectations to the component members of the society through the national execution of the right to determine the value of currency and to open a new road for a lifelong control over the laborers through the psychological manipulation of the component members.

According to Keynes "such desires of the public to make savings of money or to increase the rate of savings as the income increases are enhanced because "money is something which can't be produced and the demand for money can't be easily abandoned."<sup>15)</sup> Supposing that the public want to make savings because of the said desires and for that reason no effective demand is effectuated and goods become to be superabundant and chances of investment decline, then all that is necessary is to see that such desires should be given up. "The only possible relief would be to let the public realise that the raw cheese is in realities the same thing as the moon and to put this raw cheese plant (i.e. central bank) under the state control."<sup>16)</sup>

Keynes thought that the roles to be played by the contemporary state should be

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14) *Ibid.*, p. 13. (p. 17).

15) *Ibid.*, p. 235 (284).

16) *Ibid.*, p. 235 (p. 284).

to create such social conditions where even the level of substantial wage couldn't be determined only by means of their solidarity (against the capitalists) *through the forfeiture of the right of the public to make savings out of their income, i.e. to deprive every individual of his freedom to save money* by establishing the national monopoly to manipulate the value of currency through the national control over the central bank, and to expand the possibility to manipulate the substantial wage or their income through devaluation of the currency value.

This indicates that the said Keynes' idea was conceived on a basis of the following assumptions. That is, such factors as "the expectation of decline of the value of currency", the manipulation of the substantial level of income and the creation of effective demand through "compulsory consumption" would generally stimulate further investment and employment<sup>17)</sup> and such way of thinking in turn would give an impetus to such type of activities which would induce a constant disbursement for new investments and other speculative chances instead of mere safe-keeping of money, thus approving a greater elasticity in economic activities other than the mere savings of money.

Keynes' high appraisal of Gezel provides us with sufficient grounds, on which we can make due evaluation of Keynes' original intention. According to Keynes "Gezel spent his retired life in Switzerland in 1906 as a well-off man, having no bread and butter worries and devoting his rest of life to two aims of works — writing and an experimental farming — in a most contented mood. However, the achievement of Gezel, contrary to his elegant retired life, if seen from our angle, left behind a kind of prescription to all laborers, carrying an implication that "any one can complete a natural span of his life only when he becomes a disabled soldier, after leading a long life with bread and butter worries."

"The increase of real capital", it is added, "is arrested by the rate of money interest. If this restriction can be eliminated, the increase of real capital will be made very rapidly in the present world." Then, how can those people who want to make savings so get the interest of money be made to make immediate disbursement of their fund for investments or consumptions! It would be just as good as to tell them, "Go to a post office to buy a certain amount of revenue stamps to affix on the paper money; otherwise you are not allowed to use it." As a matter of fact it was such a nice arrangement that the safekeeping of money, far from bearing interest, adversely was made to be a source of additional burdens. The deposits of laborers in the present times are being depreciated every day, every month on account of inflation caused by the national monopoly of gold reserve exactly in a same way as in the case of buying stamps to affix on paper money. It is certainly true that the troubles to buy revenue stamps to put on paper money might be saved as a result of the concentrated control of gold reserves, but at the same time it is evident

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17) *Ibid.*, p. 141 (p. 169).

enough to see how greatly the individual consumptive life laborers is now limited in spite of legal restrictions of working hours and all negotiations to increase their wages.

What Keynes aimed at was an acquisition of a new means to organise the laborers' struggle for survival by developing a new technique to exercise a control not only within inside of a factory but also over the foundation of their family living itself to take place of the promise of perfect employment (its real meaning requires a separate consideration). What was meant by the so-called "full employment policy" in realities was to exercise control over the laborers weven outside of the factory "through out their life", i.e. through the control over the laborers, income and properties based on the floating of the labor power by practising "scientific management within a factory. It was solely by the Keynes' Revolution that such a mechanism was established, through which laborers were forced to give up to maintain "a secured standard by saving money and were compelled to buy consumer goods, while their substantial wages were constantly being cut down owing to high commodity prices, or through which greater and greater burdens and restrictions were imposed upon the laborers' household economy on account of increasing taxes, social insurance, public charges ,etc. This illustrates the way how the state come to play its role to restrict the laborer's right of existence and to organise the laborer's struggle for survival in a greater scale by monopolizing the right to determine the level of substantial wage in the hand of the sate through the state monopoly of gold reserves in spite of the legal restriction placed on a normal working day and shortened working hours to some extent and by forcing the compulsory disbursement for consumption and investment as a result of robbing them of the freedom to save money.

When L. R. Klein made an appraisal of the significance of "Keynesian Revolution" from an aspect of the labor power mobility policy, he gave special attention not merely to the Keynesian inflation policy but also to the phenomena of "urbanisation" caused by the furtherance of a public investment policy as an independent investment and the role of savings in the urban mode of living. If the new roads, dams and houses are constructed by floating deficit public debt which might cause inflation, resulting in facilitation of the movements of labor power from rural district to urban area and in expansion of urban mode of living, then the expansion of mass consumption, particularly in the line of consumer goods, will be furthered and the laborers' savings will be obliged to be limited only for the purpose of reserve to be equipped for the future unlikely events. Therefore, if the state provides a complete social security system with the needed fund and if this scheme is effectively carried on, the mobility of labor power will become more and more perfect, and laborers will be enabled to move to any place as required by capital by making joint use of public housings and social security fund. Since their properties at the most are composed of a few furniture, an electoric refrigerator, a washing machine, etc. as commonly observable in these days in our country, there can hardly be many



occasion which will hamper the freedom of their movements.

The particular country in which a policy to push forward the labor mobility in the labor market was fully equipped was Sweden among many other OECD countries, which was quickest to embark on an experiment to exercise a lifelong control over the laborers. The active employment policy since 1960 was held in high esteem even to be praised as a key to enforce the perfect employment policy without causing inflation. According to B. Olsson, it has been maintained that "the active employment policy has much to do with the labor as one element of production and that it provides various means by which each personality can adapt himself to the requirements of employment market, though subject to individual difference and seasonal fluctuation"<sup>18)</sup>. Its concrete content is composed of "a labor market policy" combined with the investment reserve fund system of private enterprises and the public investment reserve system, through which it is designed to enforce "a national security so that the free movement of labor can be made", to meet the need of a sudden change of industrial structure or the unbalanced regional development of industry. The said policy consists of such varied kind of measures as varieties of allowances like travel, job placement and family member allowance, professional training, female worker and employment plan for the advanced ages, unemployment insurance and even a policy to offer a new site for industry. Its merits are summarised in the following five points by Olsson:

- 1) Higher effectiveness of the technical development is expectable in the field of employment. The higher the rate of professional and regional labor mobility is, the faster the man-power saving or automation is expedited, thus making it possible to take the lead in technical progress in all other countries.
- 2) The adaptation of the labor market to the international scale can be facilitated.
- 3) It makes easier to cope with the change of industrial structure owing to assistance to developing countries and the competition with imported goods from countries of low wages.
- 4) It gives an easier adaptation to such situations as changes of industrial structure, relative decline of the weight of the primary industry, labor mobility, rationalisation, mechanisation and concentration of capital.
- 5) The more efficient employment of female workers, middle and advanced ages, and physically handicapped persons.

If the expenses for movement and housing can be guaranteed by the state, "such plan should function properly without leaving behind any threshold to hinder the human movement — movement from declining enterprises of low wages be-

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18) B. Olsson, "Employment Policy in Sweden" in *International Labor Review*, 1963. p. 411.

cause the free competition functions in realities."<sup>19)</sup>

It is pointed out that the proportion of disbursement for taxes plus social insurance expense in Sweden in 1960 amounted to 51.3% of the national income.<sup>20)</sup> (the corresponding proportion in this country being 25.5% in 1969 and 24.1% in 1960.)<sup>21)</sup> This active employment policy indicates a viewpoint to hold that the fully equipped social security scheme and the completely re-arranged opportunities for re-education would lay a foundation to secure the mobility of labor power and thereupon a labor power supplying mechanism might be properly created so that the requirements of the wage system based on competence, the changes in industrial structure, the scrap and build policy of industry could all be met.

G. Myrdal made the following statement in his book entitled "Beyond the Welfare State". It is noteworthy to remind that the social security scheme, which is forced to make greater and greater disbursement, used to be only supported in its initial stage by an argument which emphasised social justice and welfare solely for the benefit of a special group of the needy. .... When the objectors against the said policy who always insisted that such scheme would ruin the national economy came to realise that their contention was in the wrong on many occasions, it was found that this was principally a result of the fact that those reformations did contribute to raise the level of productivity of the people at large.<sup>22)</sup>

For the reasons that identity of interests of the laboring class with those of farmers (small business) comes to be felt more and more seriously owing to the scrap and build policy in the field of industry, particularly the security of the labor power by destroying agriculture and the acceleration of urbanization, and that a new democratism comes to be established on a basis of the right to form a democratic organisation by and of the laborers and the property owners of small business, the free competition which is a form of ruling by a combined product of authoritative power and financial resources can't but be more and more restricted. At the same time it is on the foundation of this reinforced democratic confederation that the anti-monopoly laws as one of achievements of small bourgeois radicalistic movements would begin to impart more active meanings for the development of the people's right to live.

### III IMF System and Theory of Economic Control over One Country

The policy of the lifetime control over the laborers advocated by Keynes was

19) *Ibid.*, p. 412.

20) L. O. Economic Expansion and Structural Change, 1963. p. 390.

21) Government Economic Planning Office, *New Economic and Social Development Planning*, 1970, Finance Ministerial Publishing Office, p. 126.

22) G. Myrdal, Transl. by Kazuo Kitagawa, *Beyond the Welfare State*, Diamond Publishing Co., 1963. p. 65-66.

concurrently combined with the direction to establish an international currency cooperation system. The reason is because the discontinuance of the gold standard system and the establishment of the currency control system always required the establishment of the control of foreign exchange and the international settlement mechanism. However, the way his idea came to be conceived was, ironically enough, in a manner that the economy of the United Kingdom came to be controlled by American dollar exactly in a similar manner that England used to exercise her control over India through her intensive control mechanism. The fact that the right to determine the exchange ratio for each country on the basis of \$35 to an ounce of gold was substantially grasped in the hand of U.S.A., resulting in an establishment of the so-called empire under the IMF system, did give a very great effect upon the capitalism of every country and respective role to be played in the post-war days.

As is well known, no such state of affairs as to place any limitation on the self-maintained currency system of every country (the right to change an exchange rate with other country as one country likes) as in a case of IMF system, thus leading to a resulting circumstance where the U.S.A. holds an international monopoly of such right, was not even presumed in the world economy shown in the "Argument on Imperialism" advanced by Lenin. The reason why the U.S.A. could establish such system was primarily due to serious effects of the circumstances, under which the unbalanced development of many capitalistic countries was aggravated to take a worst turn and all capitalistic countries with exception of America fell into a *most serious financial crisis* on account of the World War II and it became impossible for those countries either to continue the war or to carry out the postwar restoration without American assistances.<sup>23)</sup>

All capitalistic countries other than the U.S.A. were obliged to build up the prerequisites for free activities of the world enterprises with America as their center not only through a compulsory restrictions to a great extent so that the mechanism of the state monopoly of each country would not operate as a competitive force against the U.S.A., but also by accepting to exercise the national economic control in the way of restrictions to be placed on the exchange rate and stability of currency of each country. H. Magdoff, the first writer to shed light systematically on the actual status of the imperialism in the postwar days immediately after the World War II since the Lenin's "Argument", made the following analysis of the relationships between England and America, viewing from the said angle.

"One of the first pressures which the New Deal Government applied in the midst of the war waged by England against Germany was to demand the exclusion

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23) Akio Sakai, "Change of American Policy Toward England and Financial and Monetary Crisis in England", *Keizai Ronso*, Vol. 124, No. 1, July, 1969, Kyoto University Economic Association 1969, P. 146.

of priority given to British enterprises in the United Kingdom. In other words it was an open-door policy to give equal opportunities to American enterprises. The American loan floated to give assistance to the British economy at the closing period of the World War II was made on the assumption of the discontinuance of discriminating treatments toward the outsiders in the United Kingdom.<sup>24)</sup>

The U.S.A. compelled the same type of "assistance" toward every country in the world. Tariff, foreign exchange control, national ownership of primary industry, not to speak of many other forms of national monopolies coming into enforcement as a means for international competitions since the early days of the 20th century came to be placed under restriction or broken up. Furthermore what the IMF wanted in the days when one country happened to face with her financial crisis were the lifting of the control over import and export, the devaluation of exchange rate to a more practical ratio in relation to the U.S.A dollar as well as as varied *measures to execute an economic control over one particular country* -- "Beginning of a strong domestic control over currency and loan: systematisation of control over wages and commodities prices: balanced budget."<sup>25)</sup>

The science of economics concerned with the economic growth and development incidental to the Keynes' idea of economics requires the rationalisation of national economy under the controlled currency system with a "sound and responsible" attitude.

The export of capital in the days of Lenin did exercise control over colonies or a specific locality and industry of a certain capitalistic country, but there couldn't be then any room to interfere with the financial management or the right of autonomous financing of other country. However, the IMF system made such interference possible and began to take a step farther to exercise such economic control over one country.

H. Magdoff added to say, "..... However, what could this mean for those underdeveloped capitalistic countries! The balanced budget might well be achieved by increasing taxes and by curtailing government disbursement. Yet, what kind of taxes and whose taxes would it be that should be increased in a country governed by a minority of ruling elite? As for the curtailment of disbursement, the particular item, from which the cutting down could be made with least trouble, would be the expenses for social welfare. .... The sources of the biggest worry of the government officials of the IMF and the AID of America are concerned with the government enterprises (like public transport system and electric plants) operated in red figures in many developing countries. One of the principal requirements wanted by the IMF in exchange for the assistance to stabilize current money is the elimination of such red figures. However, such red figures are generally, for an

24) H. Magdoff, Transl. by Keiji Ohara, *Contemporary Imperialism*, Iwanami Publishing Co., 1969. p. 146.

25) Ibid., p. 177.

example, fees which could be paid even by the layer of low income earners and government subsidies to supply electric power and to provide transportation. The elimination of red figures necessitates to raise the prices to a profitable level. As to the control over wages and commodity prices, there is no need to explain how those things are always counteracting in the capitalistic nation.<sup>26)</sup>

All of these sharp indications would be applicable to this country, if a few more conditions are added. A requirement to indemnify for American armament and other assistance must be met in addition to the above-mentioned pressures in a case of half-developed country like our country. The national life is constantly pressed with a variety of causes such as a financial pressure of foreign assistance expenses which constantly increase at the rate of 1% of the national income, the rising 'prices of public charges, the discontinuance of foodstuff control system, elimination of deficit operation of medical insurance scheme at the sacrifice of beneficiaries, the rationalisation of as many as 150,000 government railroad workers, the raised rate of fares, etc. etc. and furthermore a new income policy and tax increase will have to be planned and effectuated. Laws pertaining to the foreign capitals and foreign exchange will become less and less effective as a means of the international competition: even the low wages which were assumed to be 1/3 of American standard wages and which used to be only one strongest means of competitions will begin to lose its strength as a competitive means as results of the liberalisation of capital and increasing numbers of joint venture companies in this country: as a last measure this country is being forced to make competitions by taking advantage of the cheaper wages available in Asian territories (1/3 cheaper than in Japan).

We simply can't help making re-evaluation of the importance of the meanings of an economic control over one whole country by the American financial capital when we look back on the facts that the structure of Japanese low wage itself in the postwar days had to be re-organised for such reasons as the determination of the foreign exchange rate on a basis of — ¥360 to US\$1 as one member-country of the IMF system, the balanced budget based on the Dodge Line, the rationalisation of government railroad, the prohibition of strike by government employers and the prohibition of wage-up owing to Hepler's three principles.

In this connection the important points which should be noted are the facts that the theory maintained by Keynes and his followers would give rise to a paradoxical circumstance, when the problem of lifetime control over the laborers is applied to any capitalistic country other than America, to the effect that the said theory would require the "sound" financial and banking policies in contrast with American military economy and enormous financial deficits, and thereupon only relatively lower wages than American standard are left for this country as her international competitive means and for that reason varied kinds of measures for

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26) Ibid., p. 177.

the lifetime control over the laborers are forced to be mobilized as expeditiously as possible.

When the Japanese monopoly was revived under an American occupation through a policy of "subordinated processing trade first" what made it possible for this country to achieve a great economic growth despite of the loss of colonies and want of technique and needed funds were none other than the low wages of this country and the deterioration of standard of living without opening eyes for the problem of pollution in an extensive scale. It should be considered that the low wages of this country in the postwar days was a natural consequence of the policies of the Japanese economic control under the American and IMF administration as already discussed before, but an extremely important role was played to maintain the said mechanism and to continue the operation of reproduction by various price control policies concerned with the price of rice, the fares of government railroad, educational expense, living costs, etc. The low rice price policy (for producers) facilitated the "scrap and build" in the field of agriculture and raised the rate of public charges, resulting in a heavier burden on the part of beneficiaries, and the labor power mobility was accelerated with rapid strides. It is seen that these moves are what have been pushed forward as one of the means to improve the mechanism to guarantee an unbalanced development of the combined operation of army and industry under a direct pretext of financial inflexibility, but it must be reminded that those moves are of such nature that can't be considered independently as something having nothing to do with a viewpoint of the control over one whole country owing to a demand for liberation and indemnification under the IMF system. The actual situation of the said control over one whole country in less advanced countries is today expediting with increasing intensity their efforts to combine the "new democratism" with their claim for racial independence in an international scale as results of giving heavy taxes and intolerable burdens to the laborers and farmers in that country, and such circumstance is giving an impetus to the present war in Vietnam and causing aggravation of U.S. dollar crisis and the changes in investment projects by the world enterprises (particularly from Latin America to Asia). It must be noted that a new democracy will keep expanding in an international scale hereafter taking a consistent and uninterrupted course of development as an unavoidable tendency.

#### **IV Monopoly of Informations and Organised Struggle for Survival**

It is an ordinary course of action that "the full employment policy" which drives the laborers to live a life of struggle for survival by organising the mobility of labor power tends to cause an anarchistic development of the "free" accumulation of capital of monopolistic and large-scaled enterprises as a combined product

of authoritative power and financial resources and some changes of industrial structure at the other extremity. Today, because such anarchistic changes are prescribed not merely in mutual competitions among many enterprises but also in military, political and economic competitions against socialism as well as in the locally unbalanced development of the movements of racial emancipation, the changes in industrial structure are taking place in a greater scale with a greater intensity. A gigantic combined product of authoritative power and financial resources in these days are coming into existence in the form of a combined product of army and industry and furthermore the military expenses of each country and the shares of foreign assistance expenses tend to undergo great and rapid changes, depending upon the political situations like the circumstance in Vietnam. Because the "mobilized" laborers are trained to be a group of technical workers equipped with only practical knowledge to apply the know-how as a result of monopolized informations and scientific techniques by the combined product of army and industry, they are destined to be thrown out of job as the industry undergoes its structural change, thereupon being obliged to find new jobs in the newly built industry. For an group of laborers whose results of skill and training would always have to be considered useless *by the capitalistic utilization of needed technique* and who would be driven into a struggle for survival through the control over their incomes and properties in exchange for being given chances for employment as a benefit of the "full employment policy",<sup>27)</sup> the re-training would begin to carry more and more important meaning as a means of their struggle for survival to equip themselves with new technique at all times. It is also a very natural course of events that the further the situation develops in this way, the more important meanings of the monopoly of scientific, technical and cultural informations are felt by the combined product of army and industry for the lifetime control over the laborers.

The primary process of labor was a process, through which a man himself was to be reformed and developed by human acts toward nature as a joint product of both mental and physical labor. The division of labor into mental work and physical work incidental to the progress of productive power of a society used to have a meaning of progress in a sense to raise the level of productive power of a society with class strata. However, in these days the productive power materialized by the contemporary capitalism is of such nature that even the development

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27) In despite of its title the American employment act gave no security for the workers' right to work and remained to be a mere advocacy of the doctrinal idea. This shows that the full employment policy didn't acknowledge the right to work as one important component part of the workers' right and that it could'nt be at the most a device for the purpose to mitigate social frinctions by expressing a general attitude to expand employment. Koji Morioka, "Fiscal Policy and Full Employment — History of Employment Act in 1946 in America", (1) & (2). *Kyoto University Economic Review*, Vol. 104 No. 3 and combined edition of No. 4, 5 and 6 (September & December, 1969.)

of scientific technique is left in the hands of a multitude of laborers: that educational projects are carried out by a multitude of laborers: that the works of the national monopoly or general administrative organisations (most of them are combined with the operational organisations of a monopolistic body) are simplified, and the greater the extent to which such works are reduced to the mere book-keeping and checking becomes, the greater the number of proletariat who carries out such works becomes. In despite of the fact that the way of thinking that the mental labor is something belonging to the combined product of army and industry as used to be thought in the past has already become detrimental to the social development to be made in these days described in above, and as results of all such efforts as to monopolize the results of scientific technique in the same manner as used to, to adopt the method of development prejudiced in favor of military or profitable purposes, to enforce the large-scaled scrap and build projects by applying it to industries and to build up a new system to secure the needed labor power, the mobility of labor power, difficulties of living, such problems as new poverty and incidental waste of labor power are caused to given rise.

When the laborers supported by their right to form their own organisation make their contention of their right to live, they can't but make strong claims firstly for the true security of their right to work and secondly for their right to get scientific, technical and cultural education instead of impromptu training of the needed know-how on the part of capitalists in opposition to the policy to mobilize the labor power by combined product of army and industry, i.e. the system of the lifelong control over the laborers. By doing so, they would undoubtedly equip themselves with a habit to place the significance of the social labor which they are carrying and the direction of its development under their own control, would enlarge the field of their solidarity in their workshop and locality instead of being mobilized and would endeavor to achieve the voluntary combination of the laborers equipped with scientific technique and the laborers equipped with education and to develop the autonomous organisation of, by and for the laborers.

Now, the time has come when the right to work to guarantee the laborers' right of existence, the democratic movements supported by their right to get education as a portion of their right of existence and the security of the field of their consolidation by forming their own organisation instead of the struggle for a normal working day, the struggle for legal confirmation of the right to form the laborers' organisation and "the full employment" simply as a provisional aim and such employment policy, of which substantial aim is to mobilize the labor power, should be enlarged and strengthened through the practical foundations.

What should be noted in connection with the development of the aforementioned tendency is the change taking place in the form of family. The mobility of labor power has made it a general practice to lead a life in the way of so-called



"core type of family" or the type of family "working in double harness". For this reason the care of children, education and all other household cares have been considered to belong to one of the social division of labor, thus making the conditions of the way of living for the family-member inside of their habitation unstable and forcing them necessity of the social linking. This means that the very foundation of democratism in a certain locality is not based on each worker in the capacity of small property owner but such foundation is beginning to make a steady expansion in the capacity of a joint user of some social facilities indispensable for survival.

The problem of deterioration of environment caused by pollution is beginning to show that the inhabitants' right to live can no longer settle the problem from a standpoint in the capacity of small property owners and that they will have to become democratists supported by social solidarity in the reproducing process of life from an aspect of joint users of natural and social environment of a locality.

The mobility of labor power serves the purpose to interchange and combine the laborers' individual consumptive processes and to lay deeper root of the local democratism in the midst of various problems such as organization, housing, day nursery, educational facilities, etc. There is no need to say that under such circumstance the lifetime control over the laborers can't help being combined with the local ruling by the monopolized body and being linked with varieties of plans like the local financial and administrative system, urban re-development, rural re-organisation, etc.

In those days when the lifetime control over the laborers used to be considered as a central issue of the state monopoly capitalism, the freedom of laborers was no longer supported by the property right even if viewed from the capitalist side. What existed there then was the changes of industry and man's competence to meet the requirement of capital, which was a typical manifestation of freedom. "By the concept as called 'liberalism' is meant the way a particular individual adapts himself to a constant change caused by the force of social economy, without depending on other person, but being guided by a driving force motivated by the consciousness of one's own responsibility."<sup>28)</sup>

The very way to oppose against the said freedom with the contentions of the individual freedom and the laborers' right to live supported by the right to form their autonomous organisation will undoubtedly become the future direction toward which the various human capabilities should be developed in a opposition against the contemporary characteristics of the way of living commonly observable everywhere today.

The present day's capitalism is called as the state monopoly capitalism. Since its meanings express the state monopoly, i.e. the relationships of a fusion of

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28) Japan Labor Association, Research Section, *Employment Policy for Economic Development — Valuable Experiences in Sweden*, 1962. p. 5.

administrative organisation of a private monopolistic body and the financial organisations of the state, it is natural that the problems such as development of industries and banks owned by the state, sales of war supplies and materials to the national markets, all kinds of control and approvals, etc. are involved therein.

The aids for bankruptcy of the monopolistic bodies and private consumption of government money served only to accelerate the accumulation and centralization of capital and contributed to develop the unequal and free progress of monopolistic bodies and things will assumably move on in the same way hereafter. One problem concerned particularly with the lifetime control over the laborers among many other aforementioned current problems was none other than the very problem *to organise the struggle for survival of the mass* (especially the laborers and farmers) basing on a principle of private property and free competition which had been consistently pushed forward by the capitalistic state. However, this effort to organise the struggle for survival can't be expedited by any method other than a means resulting in making the laborers and farmers unite together in a form of a closer social combination. The very actual facts that the policy of labor mobilization did materialize the state monopoly of gold reserves, i.e. a concentration of the highest level of trust and perfect social security system as well as the social combination (public housing, day nursery, clearing up of community environment) of the laborer's production process (individual consumptions and bringing up of children) and that for those reasons the foundation of a new type of democratism is now being more and more expanded, show a conclusion in itself arrived from the contemplation about the problems of the contemporary capitalism and the state.

In an opposing relationships of the new democratism based on the social importance of laborers and their right to form thier own organisation against the development in the form of free competition based on the monopolistic ownerships, one particular type of consideration to demonstrate the predominance of the former had rarely been made so far when any consideration was made on the subject of the various problems about the contemporary capitalism and the state. It seems to me on many occasions that the reason was most likely because those argures might have been prejudiced with a view to hold that the role of the contemporaty state should be either "the synthesis of social division of labor" or "the mediator of division of labor" to take place of the market mechanism which could no longer be restored automatically owing to deep-seated depression days, or possibly another view holding that because the labor power as the goods should be a special kind of the goods, it would be unreasonable to treat man as the goods and so the state did undertake to make up for the said unreasonableness.

The capitalism, if seen from a long ranged veiww, would develop its own market through the unequal development of the social division of labor owing to the autonomous development of its own and would produce as much needed labor power as necessitated by itself in the process of accumulation of capital. This is as a matter

of fact what is concerned with the substantial nature of the capitalism itself and this specific quality is still being maintained even today, Even the capitalistic state can't be free from this prescription. Therefore, such argument would be inconvincible to state that, because the contemporary state has developed its market of its own accord and has lost its own power to supply the needed labor power, the state has been making her intervention.

It should rather be considered that the substantial nature of the contemporary state should be sought in that the exclusive ownership has taken control of the state to cope with the development of a new democratism supported by the laborers' right to form their own organisation, and has been making and has been obliged to make the pursuit of private profit in the form of greater and greater socialisation of production through the enforcement of the frame of free competition. Such trends of actual facts that the authoritative power of the state as a product of incompatibility of the class struggle, being incorporated with financial resources, has come into existence with a principle of "free competition" in the confronting relationships arising from the laborers' right to live, that the proletariat have been made the carriers of administration in the course of accelerated socialisation of production, that the laborers have been made to be carriers of a mechanism of pure violence and the system of private consumption of government money by transplanting the latest scientific techniques, and that as results of all this when the democratic rights of the government workers and common inhabitants become more and more reinforced, the state organs are found to have been overdeveloped to an extent going beyond control, are none other than the most serious results of interactions in these days between the foundation and the upper structure. It should be a natural reflection of these situations that a new meaning of the official labor as well as educational labor ought to be called in question from the standpoint of the laborers.

## **V Monopoly of Money Informations and Control over Laborers' Savings**

Keynes' statement in his "General Theory" 1935 has it that "the matters of prime importance for which the state should be responsible is not to own the tools of production. Supposing that it is possible to determine the total quantity of resources invested by the state in order to increase the tools of production and the basic rate of payment for its owners, then it would be just as good as if all that is necessary were attended. Furthermore, the necessary measures for socialisation can be introduced in a gradual manner and yet without destroying general traditions of a society."<sup>29)</sup>

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29) J. M. Keynes, *The General Theory of Employment, Interest and Money*, London, 1936. p. 378.  
(Transl. by Shionoya, Toyo Keizai Shimpo Publishing Co. 1943. p. 461)

The transition of the times from the old days when the ownership of the means of production was used to be considered to be a principal means to expedite the state monopoly capitalism to such times when the state monopoly capitalism can be pushed forward by monopolised informations relating to the mobilization of social resources and the artificial manipulation of human psychology based on informations — this was the image of a new capitalism visualized by Keynes. There we can see a change in the economic thoughts which is termed by political economists as “the change from a socialization of stocks to a socialization of float”.

The national socialists and social reformers who expedited the capitalistic ownerships of industry by the state considered such national ownership as one of the most important measures for rationalization of industry and used to regard it as a principal means to avoid social crisis. In making opposition to such concept, Keynes contends “socialization” through manipulation of money informations, by placing particular emphasis on informations relating to money among all other informations relating to resources. The grounds of his contention was based on his idea to make special note of the “importance of currency” as a “chain to link the present with the future” as a result of his study on the “theory of an economic system which could control the prevailing situation by a change of the future outlook” on the assumption of “uncertainty of a prediction of the future”.<sup>30)</sup>

It is seen without need of quoting an example of Germany in the postwar days immediately after the World War I that there was a likelihood that a social crisis might have developed into a serious consequence even by a slightest stimulus which might have some effects on the relationships between the labor and the capitalists and that the national ownership could hardly be realized because the confronted interests of the monopolistic bodies had made the national monopolistic body to be a powerful means of competition. It should be quite natural that the monopoly of money informations and related manipulations which provided a great deal of room for the adjustment of mutual interests for the many monopolistic bodies without giving rise to any direct confrontation of interests between the labor and the capitalists, quite unlike a case of the national ownership, would play an important role especially when such view might be connected with political policies which “could give a promising expectation of the future”.

When we discuss on the subject of the public disbursement policy in favor of Keynes' full employment program, widely known is his doctrine that his inflation policy would bring a gentle and easy death to a rentier and the opportunities for investment as well as full employment to the enterprisers (i.e. an activity class) and wage-earners. Moreover, his ‘money policy’ was such that a more emphasis was placed on the manipulation of the level of income than on the rate of interest: and particularly as to the wage income, “a tacit acknowledgement of

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30) *Ibid.*, p. 293 (*Ibid.*, p. 356)

the realities that the right to determine the substantial wage in this society could be grasped in the hand of those who would manipulate the quantity of money at will was presupposed.<sup>31)</sup>

It is pointed out by S. Weintraub that almost as much as 90% of expenditure for consumption are made by the wage-earners "even in the western economy". In consideration of the assumption set forth in the theory of M. Kalecki, J. Robinson, N. Kaldor, i.e. "the wage-earners expend the whole of their incomes, while the non-wage-earners — capitalist — set by the whole of their incomes", he contends that the very existence of savings by the wage-earners and the amount of expenditures from such savings will play a certain role in realities. He further maintains that Say's law to the effect that "the aggregate of the deferred purchasing power will be formed by the transferred incomes such as social security benefits and the negative savings carried forward from the savings in the past, and the supply will create the demand of its own" should be denied. The grounds, from which such conclusion could be drawn, might be traced to "(1) a mixed economy, whereupon the income might be obtainable not only from enterprising activities but also from a government or some other non-profit-making resources, (2) an uninterrupted economy, whereupon the disbursement could be carried forward from the past and (3) trust economy, whereupon things could be bought without directly participating in the production process".

Of course, even "in the wealthy American society" the total sum of such wage-earners' savings is small on the whole. However, it is evident enough that there is a possibility for wage-earners to make greater savings and that inflation will give its influence upon the consumers' outgoings through the medium not only of "an euthanasia of the rentier" but also the level of the laborers' substantial wages as well as the level of their savings. It has been already pointed out that the Keynesian policy was primarily so designed that the available fund of rentiers who were living on colony investments might be invested for domestic policies.<sup>32)</sup> Now, in this connection what should be specially noted is the fact that the said Keynesian policies began to execute a full control over the "reproduction process of labor power" through the instrumentalities of not only the effect upon the level of substantial wages but also the constant intervention against the possibility for greater savings in the hands of the laborers owing to the enlargement of the labor standard right or against the content of the consumers' outgoings or the forms of property ownerships. What particular influence, speaking concretely, the fact that this possibility to accumulate the fruits of labor has been robbed on account of inflation might be

31) Yoshikazu Miyazaki, *Historical Development of Contemporary Economics*, Yuhikaku, 1967. p. 140.

32) Sidney Weintraub, *A Keynesian Theory of Employment Growth and Income Distribution*, 1966. (Translated by Hyozaburo Murasaka Diamond Publishing Co., 1968. pp. 117-118)

33) Mitsuharu Ito, *Keynes — Birth of 'New Economics'*, Iwanami Shoten. pp. 29-30.

exerted upon the "reproduction process of labor power" including therein the influences upon the whole stock of accumulation in possession of the laborers in the past in addition to the substantial decline of the level of laborers' income owing to the floatation of the labor power! What particular meaning did such new way of the labor control take on for the future development of the state monopoly capitalism? The present writer shall now proceed to elucidate these questions.

## **VI The Labor Mobility and the Combination of Laborers' Household Economy with Socialized Fund**

It was Klein who drew up a most genuine sideview of the Keynesian theory as a new labor control policy. He pointed out that "the functions for tabulation of savings in relation to income based on statistical data in the last 30 years show a declining tendency" by citing examples in America and further referred to "a certain natural force which is bringing on a gradual change in the propensity of the whole society to make savings" and true causes of "the habit of savings" and made explanation of "a measure to change such habit".

"Some of natural forces which tended to retard the inclination for savings were the change in the consumers' tastes, the progress of advertising business, the greater extent of urbanization, the popularization of educational opportunities and the increased use of consumption credit." "The reason why the wage-earners made savings while living in the present days' industrial society built on a principle of individualism was to make themselves prepared for the days of emergency such as unemployment, sickness, disablement or advanced age. .... The only way to diminish savings to be made on account of such fundamental necessity was to let the state take care of such necessity at the lowest possible expenses."<sup>34)</sup>

The contention of Klein, holding that natural forces which might retard the inclination for savings, if coupled with the social security scheme, are the key to expanded consumption, presumably leads to a conclusion, if carried thoroughly, that the necessity of savings for the wage-earners would be extinguished, only if a complete social security system could be fully equipped. Therefore, what might be needed in the way of a provisional measure up to such time, according to his would be an economic policy to expand consumption as occasion demands.

However, such reasoning arouses an inevitable question. Firstly, because the more effectively the natural forces maintained by Klein operate, the greater the changes in the individual living conditions of the wage-earners and in the content of their consumption have to be made, wouldn't it be true that the necessity of savings as reserve fund for such changes will arise in an ever increasing tendency?

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34) L. R. Klein, *The Keynesian Revolution*, New York, 1947. p. 176. (Transl. by Shinohara & Miyazawa, Yuhikaku, 1952. p. 225.)

Then, secondly, because the necessity of savings to be prepared for the unexpected emergency will be more keenly felt on the contrary and the level of benefits to be delivered by the 'social security scheme' will be forced to be constantly raised, what we would like to know is "Wouldn't it be permanently impossible for a social security scheme to be equipped to such fullest extent?"

It seems to me that the idea of Keynes' policies was advanced, in realities, in harmony with the said two questionable points. "The public disbursement policy" through manipulation of money informations coupled with the control over the wage standard through manipulation of money informations did induce a greater investment in such fields as transportation, communication, energy production, road construction and river improvement which brought forth a greater social capital, though those factors did not bring out the immediate productive efficacy. In this connection there is no need to say that how important was the role played by the enrichment of social capital in furthering the urbanization movements and in improving the way of urban consumptive living. The facilitation of urbanization owing to public investment has began to exhibit a tendency to alienate the workers from the privately owned properties in the hands of farmers and small urban citizens, resulting in producing not only a group of laborers having nothing to do with the privately owned properties but at the same time a group of laborers who were robbed of a possibility to accumulate the private assets (of workers) while living their urban life. This is none other than the phenomena called as "the mobility of labor power pushed forward by the so-called development policy.

Therefore, it can well be said that furnishing of opportunities of employment is a policy to produce the "mobilizing labor power" through the facilitation of urbanization as a result of enrichment of the social capital. However because of this labor mobility, the laborers begin to feel the necessity to make savings more and more keenly, quite contrary to no more need of savings, owing to the forfeiture of their private properties, and to feel obliged to get themselves prepared for unforeseen events. Nevertheless, what they have to face with under this circumstance is the pressure of mild inflation, permitting them no savings in the form of money. Moreover it becomes a supreme order for these people to contrive some means to make reasonable use of their living hours by introducing a washing machine, electric refrigerator, car and what not into the family life, because it becomes impossible for them to avoid the type of "the family-structure for plural occupations" on a account of the constant pressure of urbanization upon the consumptive living. All kinds of machines for the purpose of rationalized way of living as long as they are machines, require constant repair and replacement and the makers of these machines are in a position to compel a given consumptive expenditure owing to the life cycle of each machine or by taking advantage of their model-changes. The popular use of electric waves and receiving sets prescribes the standardization of the changes in the contents of this consumption and keeps stimulating "the

competitive purchase of these machines for their rationalized living (effect of demonstration). It is clearly seen here that two kinds of pressures — the pressure to realise the disadvantage of savings on account of the mild inflation on the one hand and the pressure to compel the purchase of machines for the rationalized living of the other — make the wage-earners give up their savings in the form of money, thus driving their minds for more consumption.

Because the inflation, which makes its headway on the foundation of urbanization, drives the labor power into a more and more mobile state in this way, their expenditures not only for education as one of means of their struggle for survival but also for social security fund to get themselves prepared for unemployment, unexpected events or old age come to be regarded simply as one of their surviving conditions. Moreover the consumers' credit for the purchase of durable consumers goods, housing loan for construction of 'my home', subscription for life insurance show all the time a tendency to increase.

The mobility of labor power tends in this way to expedite the combination of the individual laborer with the "socialized consumption fund" in the forms of reserve fund for educational expense, payment for social insurance fund, consumers credit, housing, fund, subscription to some insurance company by an individual laborer. The extent of social security by the state keeps expanding boundlessly in proportion with the extent of the mobility of labor power. Besides, the laborers are obliged to be more and mobilized in proportion with the extent of the expansion of social security. The sum total of *such counteracting processes of mutual acceleration* provides the foundation for a possibility of further growth of "a pool of social consumption funds" and for a possibility of manipulation of contents of the wage-earners' consumption by the said pool, thus giving rise to more and activities by the money owners taking advantage of such pool to use it as their needed fund for lucrative investment or some profitable enterprises.

Viewing in this way, it can be safely concluded that what has been materialized by the Keynesian policies were not the euthanasia of wage-earners and the happiness of operating class but the acceleration of the labor mobility through the enrichment of social capital, giving up of savings owing to inflation, the aggravation of mutual struggle for survival on the part of laborers, the expansion of a pool of social consumption funds (as results of rationalized living hours, education, housing, social security) and the expansion of opportunities to make investment for the said pool.

Keynes had a thoroughly modernized attitude in the way he coped with uncertain situations. What is implied here by "modernized" means "to live in the new world without having any prejudiced belief or stability used to be conceived in the preceding days" as remarked by K. Löwith. In other words it means that those who governs the times will be the operating class of people who always launch into a constantly changing new world even without refraining from speculation instead



of those who might rather like to live the old ways of easy life with all accumulations in the past than to take some adventurous leap.

However, putting the enterprisers aside, what can be meant by such circumstance, under which there would be no way for a greater part of the wage-earners to keep the payments, which were received for their labor, in the form of savings for the time being to enrich their future consumptive living! The contemporary advocates of a full employment policy have it that "on some occasions the labor adaptation is considered as identical with the labor mobility. This expression has an implication that the laborers can be handled with ease so that they can be moved in conformity with the "economic law" of market economy with no cost on the part of a society."<sup>35)</sup>

Nevertheless, how can such adaptability mentioned here come into existence? It can come only from a condition that the laborers can remain at all times to be free from thier private property and from natural as well as social environment. What the liberalism originally meant was an autonomous personality supported by the background independant from individually owned property and from all other people in the field of the living, but now this meaning has been transformed into a reversed content to mean the state of being free from the individually owned private property and from the field of his living in order to adapt himself to "the requirement of a society". The private property and traditional joint properties which used to constitute the foundation for laborers to live on have been released from the exclusive possession of the laborers and transformed into a socialized type of properities. For an example, the used-to-be of type of individually owned houses has tended to decrease in its proportional number and begun to take the form of the type of houses for rent, particularly taking the form of a joint apartment house, thus tending to be transformed into the type of facilities for joint use. As results of these changes the prevailing situation is now enabling the laborers to work at any place wherever it may be located by making use of a standardized apartment house. There can be little doubt that the purchase of standardized consumers goods and the social security scheme will set the laborers free from the localized or traditional restrictions arising from natural or blood relationships, thus serving to strengthen their "adaptability". The infiltration of standardized goods in the consumptive living will no doubt consolidate the laborers' adaptability and at the same time shorten the consumptive cycle of goods, whereby resulting in a more profit and further development of market for the large-scaled enterprisers by heavy selling of their new products.

The heightening of laborers' adaptability means nothing other than an improvement of conditions of their mutual competition. Accordingly those who have

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35) Japan Labor Association, Research Section, *Employment Policy for Economic Growth — Valuable Experiences in Sweden*, 1962. p. 5 & p. 15.

higher adaptability will be selected and will be provided with better opportunity for promotion.

Under this circumstance it is natural that a high appraisal is given to Adam Smith, who gave an explanation that "the educational expenditure is a capital" as a means to fight for the said higher adaptability and who included all useful abilities acquired a posteriori by the people of one county as a portion of the capital".<sup>36)</sup> Nevertheless, the fruits of educational investment, being different from a case of the property ownership in the form of money, will lose its real value somewhat easily as a result of the progress of technique and machines;<sup>37)</sup> whereupon such new situation comes to require re-training and lifelong education and the burden of such education comes to give pressure on the laborers' household expense, thus giving rise to a tendency to pay the educational expense either at the cost of a society or a state and a new educational control based on the aforementioned requirement comes to be further developed. The exclusive possession of informations relating to money as well as the monopoly of scientific and cultural informations makes appeal to the laborers' psychology in a different way from the money manipulation, wherefrom a new intention to exercise control over their conducts comes to be formed.

While the state monopoly capitalism was making its headway, what such measures as the national ownership of a particular industry used to mean was nothing more than a control of labor conditions with respects to the laborers' workshops or their wages as one link of the course of industrial rationalization. However, the problem proposed by Keynes was to execute control over the laborers' consumptive process in the field outside of their work-shops: to reform the foundation itself of the laborers' living through the instrumentality of acceleration of *urbanization by public investment*; and to improve the conditions of their mutual competition through pushing labor mobility forward in exchange of providing more employment opportunities for the laborers who were the parent body to produce surplus value.

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36) T. W. Schultz, *The Economic Value of Education*, Columbia University Press, 1963 (Transl. by Yoshihiro Shimizu, *The Nippon Keizai Shimbun*, 1964. p. 217.)

"Upon taking note of a certain utilization of resources to accelerate the increase of output in future, a proposal of expansion of the basic idea and the disbursement of health, education and training as an additional categories are described in M. Abramovitz, "Resources and Output Trends in the U. S. since 1870" in *The American Economic Review*, March, 1961, No. 1. pp. 12-13.

About the relationships with the labor mobility and educational policy in the postwar days in Japan, see Jun Ikegami, "Specific Characteristics of Japanese Capitalism which prescribed the Postwar Education" and (ed. by Taro Ogawa and Akio Isezaki, "Contemporary Democratic Education", Vol. II,; Also "Japanese Capitalism and Education". Aoki Shoten, 1969. p. 149.

37) "The division of labor turns this labor power into one simplified operation, or a specialized skill by making use of a specialized tool of one kind. If the handling of a tool becomes the duty of a machine, the useful value of the labor power becomes extinguished together with the exchangeable value. The laborer becomes no longer saleable as if no good paper money." *Das Kapital*, Bd. I. Dietz Verlag, S. 453 (Kokumin Bunko, Book 3. p. 201)

The straightening up and improvement of such competitive conditions were to be accomplished in such manners that the laborers could be set free from the property in the form of money belonging to an individual laborer, from the property in the physical form such as house, or from the joint properties which were autonomously formed like the financial administration of a labor union: that the laborers' household economy could be combined with the social consumption fund: and that the more use of "the property for joint use" based on the combination of national and private monopolies could be facilitated. Now, it has been made clear, if seen from the discussion given in above, that this new labor control policy which was primarily designed to push the labor mobility forward in exchange for providing the laborers with employment opportunities, should be considered to have been a most important carrier of the driving force to develop the state monopoly capitalism.

### **VII Recollection of Points of Arguments about the Laborers' Reproduction Process and Individual Consumption**

Now, the present author shall intend to demonstrate the kind of appraisal held in the past by the historians of theories with respect to the issue at question that the Keynesian revolution facilitated the labor mobility by exercising the control over the laborers' individual consumptive process in exchange of providing the laborers with opportunities of employment and formed the prerequisite to organise the mutual competitions of the laborers.

It may be safe to say that the appraisals of the Keynes' revolution up to this time can be summarized in a few points that it served to furnish tools to analyze the national income and to set up a view to consider the governmental function as one element of economic balance. In addition, it may safely be said that even when the Marxian economics made a critical study of the theories of the national income and the governmental function, such subjects as the redistribution of national income, taxes, public bonds, the decrease in the laborer's substantial wages were taken up frequently with emphasis, but nothing was touched on the sidelight of the Keynesian theories in the forms of a means of control over the laborers' individual consumptive process itself and a policy of labor mobility. The individual consumptive process conceived as part of the production and reproduction of the laborers' life was, as it were, presupposed as a self-explanatory matter, but had never been sufficiently taken up as an object of their theoretical study. The reason was presumably because when our argument on the problem of reproduction was made in the history of development of economics in this country, there were two tendencies, that is, if anything, prejudices. One of them was a tendency to grasp the reproductive process only from a viewpoint of relationships of the social division of labor in the two different forms of the production of means of production and the production

of means of consumption. In other words it was a tendency to make grasping that the individual consumptive process in the form of a process of the production or reproduction of the laborers themselves was at the utmost a type of the problem concerned with circulation of money to be restored to the capitalist class through the payment of wages and the purchases of laborers' living necessities. For an example, when any discussion was made on the subject of the social dividing of labor, consisting of two major sectors of the social production, the replenishing process of material goods and value was only taken into consideration in detail, but the laborers' individual consumption was only presupposed and was never taken up for consideration. I am sure that it might have been the problem to be developed in due course as laborers' mutual competition in the Marx's Critiques on Economics, but it appears that this problem has still been left untouched.

On the other hand another view was a tendency not to take up the individual consumptive process itself as an object of their theoretical consideration from a viewpoint to contend that reproduction could not be subsumed as a momentum of the capitalistic production process. According to the Uno's economics, the labor power conceived as goods is of such nature that such particular things cannot catch up with the necessity of capital and thereupon the phenomena of panic are periodically given rise because such particular things which can't originally be conceived as goods are only conceived as such. Now, here again, the very process, through which the laborers' productive process is grasped by capital, is not taken up as an object of their consideration.

Upon going back to the statement made by Marx himself, it makes me remind that the problem of production and reproduction of laborers as "the most indispensable means of production to capital" and the viewpoint to maintain that the laborers themselves are produced by capital in a similar manner as any other physical riches are produced, was held consistently throughout his idea.

As pointed out by Marx in Section 7, Vol. 1 of the "Capital", if viewed from respective standpoint of an *individual* capitalist and an *individual* laborer, the process to produce any physical riches as the productive consumption can't be anything more than something *belonging to the capitalist* and the process to produce the life of a laborer as the process of individual consumption can't be anything more than a function of life in itself *belonging to that particular laborer*.<sup>38)</sup> It may be safely said, if seen from a standpoint of an individual laborer, that the laborer's individual consumption is something which can't belong to the capitalist, being nothing more than "a given condition" to the capitalist. Therefore, if viewed from a standpoint insisting on the subjectivity of an individual laborer, it may not be too much even to say that aforementioned two tendencies do have appropriateness or applicability, tentatively speaking.

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38) K. Marx, *a.a.O.*, S. 599 (Book 4 pp. 892-893).

However, if the process of production and reproduction of the laborer's life is viewed not from a standpoint of an individual laborer but from that of one whole class of laborers, it is not merely a function of life belonging to a laborer himself, but it means a productive process of the labor power conceived as goods which is an indispensable means of production to the capitalist

"If any consideration is made not about an individual capitalist and an individual laborer but about a capitalists class and laborers class as a whole, and not with respect to each production process of varied goods but with respect to the capitalistic production process as a whole with its social effects, then the situation shows quite different features. .... When a capitalist turns a portion of his capital into a labor power, he will increase his gross capital by doing so. To him it would mean "Killing two birds with one stone". He will not only acquire a profit from what he receives from the laborer but also another profit from what he gives to the laborer. Since the particular capital which is handed over in exchange for the labor power will be transformed into a means to lead a life, the consumption of such means of life will serve the purpose to reproduce muscles, nerves, brains of an existing laborer and to give a birth of a new laborer. Therefore, the individual consumption of the laborers class is none other than a transformation within the extent of absolute necessity of the means to lead life handed over to a laborer in exchange for the offered labor power into another labor power which *is subject to a new sweating* by the capital. This means the production and reproduction of the laborers in themselves who are considered to be *the most indispensable production means to all capitalists.*"<sup>39)</sup>

The labor power conceived as goods is, so to speak, a hen to lay gold eggs and the capitalist handles the reproduction of the laborer's life itself in exactly the same manner as he feeds his hens and makes a henhouse for them. This point is self-explanatory enough, I believe, by the foregoing quotation.

In the meantime, it was a matter of course in those Marxian days to leave the matter of the laborers' production and reproduction to be attended by "an instinct of self-preservation and generation" of the laborers' own, but in these days we can't lead such life without anxiety. The reasons may be given in the following two descriptions. Firstly, even in the Marxian days the right to determine the working conditions had to be taken away, though partially, from each individual capitalist by the struggle for the normal working day in order to leave the matter in the hand of the state, but because the uninterrupted effects of the same efforts came to strengthen the laborers' right to unite together by forming their own organisation in the 20th century, the "scientific management" in the productive

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39) Ebenda, S. 600 (Book 4, pp. 893-894). The distinction between the laborers' individual consumption and the laborers' production process seen from the angle of the laboring class as a whole is correctly pointed out in Ken'ichi Miyamoto, *Social Capital*, Chapter I, Section 2 (Yuhikaku, 1967).

process and the control over consumption through the mobility mechanism came to be enforced, and whereupon the necessity to exercise control over the process of production of the laborers' life through the instrumentalities of the sales policy of the monopolistic body came to be keenly felt. Also, some other social policies as a compromise to the laborers came to be enforced.

Secondly, as results of an accumulation of production, expansion and production of the monopolistic bodies and anarchistic contradictions of the division of labor, it became impossible to avoid the unbalanced development of industrial structures and shocking upheavals: and whereupon it became a supreme order to secure the adaptability and mobility of labor power based on the historical background of the reinforced right to form their own organisation.

It was the Keynesian revolution that achieved the purpose of the above-mentioned issues through the exclusive possession of money informations: that executed control over the laborers' individual consumptive process itself by providing a feeling of promising expectation of "full employment to those labores who, being subject to unstable and mobile conditions, were obliged to lead a desperate life of mutual competition instead of simply leaving the matters of laborers' production to the cares of self-preservation and instinct of generation of their own: and that showed a direction to develop opportunities for new investments. Isn't it true that here in these particular points one of the most significant role played by the Keynesian theories should be found!

### **VIII Development Policies and Changes in Family Structure**

In connection with a most powerful and practical effect of the Keynesian revolution in the form of a labor control policy, we can't help inviting public attention to the change taken place in the very foundation of family living caused by public investments and constructions by social capital — hereafter this will be grasped as a result of a development policy.

"According to the view based on the materialistic interpretation of history, the ultimate and restrictive factor in the course of history is the direct production and reproduction of a life. But this idea may be divided into the following two categories : production of the needs to live, or in other words the production of not only various objects for food, clothing and shelter but also needed tools incidental to such objects on the one hand and reproduction of man himself, or procreation of species on the other."<sup>40)</sup>

Engels made the following statement in the introduction of his book entitled

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40) F. Engels "Der Ursprung der Familie, des Privateigentums und des Staats, Vorwort zur ersten Auflage, 1884. *Marx Engels Werke*, 21. SS. 27-28 (Kokumin Bunko, pp. 8-9).

"Family and Origin of Privately Owned Properties and the State" in 1884. The production of man himself will bring forth "such a society where the order of the family is completely governed by the order of the ownership owing to the discrimination between the productive power of labor and riches and the development of privately owned properties and exchange: where that class confrontation and class struggle which constitute the content of all written laws up to this time will develop unrestrictedly." However, there is no need to say that what prescribes the order of the family and what determines the conditions for the family to exist in the contemporary capitalism is none other than the very process of the laborers' reproduction and production as the capitalists' means of production. Now, it is quite natural that the labor mobility should have a decisive influence in the way of prescribing the conditions for family to exist, yet it has also been made clear so far through arguments on the subject of projected development that the construction projects of social capital including therein the means of transportation and housing project do play a particularly important part in accelerating the labor mobility. Transport, communication and means of transportation are spearheads of urbanization, serving the purpose to connect cities with villages and to produce the prerequisites for breaking up of the layer of farmers, the unbalanced development of urban territory, the free movement of labor power — in two senses, that is, on the one hand the freedom from the laborers' individual properties and on the other the freedom to separate from the family blood relationships. The separation from social security and individual property of dwelling, the formation of "the pool of funds related with social consumption" and "the properties for joint use" lead to the formation of development funds in concerted efforts with the private monopolies and the state monopoly, and whereby the separation from the laborers' individual property and the freedom to separate from the blood relatives are further expedited and the labor mobility is accelerated.

The type of so-called nuclear family and the type of the plural occupations structure for family-member is an unavoidable results of those policies proposed by Keynes such as the enrichment of public investments = social capital and the acceleration of the labor mobility in exchange for offering of employment opportunities to the laborers: and whereby the said circumstance with the changed conditions for a family to exist leads to result in the inevitability to rationalize the living hours for the previously mentioned struggle for survival, incidental to changes in the content of consumption and the reinforcement of labor control. The change in conditions for a family to exist owing to the labor mobility policy, the rationalization of living hours owing to the laborers' mutual competition and the consumptive control are all newly developed sources of profit for the monopolistic bodies, or so to speak, "the productive process of hens to lay gold eggs," but at the same time even the individual consumptive process is destined to be connected with a gigantic stream of money separated from the hand of an individual laborer — a stream of

money socially mobilized, thus forming a social combination. This is a social combination of the laborer's life in itself and a counterpart of the mobility and mutual competition. The Keynesian principles were so designed as to organize the labor mobility, isolation and mutual competition which are counterparts of the social combination by combining the productive process of hens expected to lay gold eggs. However, the means to accomplish a certain object, over passing beyond the narrow object, forces us to changed the object itself on some occasions. All that the changes in the conditions for a family to exist could do was nothing but to prepare and to accelerate the growth of a type monogamous family in a new society supported by the combination of the laborers on a greater scale. It may not be too much to say that the above-mentioned conclusion was an unexpected result or a fate of the Keynesian revolution.